Berner Fachhochschule
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Non-take-up of Social Assistance: Regional Differences and the Role of Norms

An analysis based on administrative data for the Canton of Bern

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BFH Centre for Social Security,
ISA RC28 Summer Meeting

August 29, 2016

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- The principles of **horizontal justice** is violated. Benefits are often coupled with counseling programs. People miss benefits and consultation which might increase **individual and societal costs** in the long run.
- Nonetheless, non-take up is often not studied systematically or on a regular basis. However, results from several studies suggest that non-take-up is present, ranging from 20% to 60% in many countries of the oecd (Hernanz, Malherbet & Pellizzari, 2004).

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- **Social and psychological costs**: Stigmatization and/or individual attitudes towards welfare programs influences take-up behavior (Moffit, 1983; Kayser et al., 2000).

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  1. New estimation for non-take up of social assistance with administrative data for Switzerland
  2. Test if norms influence non-take-up quotas

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- Bern is the second most populated canton with 990'000 inhabitants living in 379 municipalities (2012) with major urban and rural areas
- Tax data is linked with housing register that allows to build an household identifier (this is essential!)

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$$\text{SA}-Eligibility: \begin{cases} 1: BNL_h + HCP_{h,r} + HC_{h,r} + BI_i \geq (inc_{(EI+IW+TI)} + IPB_{h,r,i}) * [SB_{0,1} * W_{0,1}] \\ 0: BNL_h + MC_{h,r} + HC_{h,r} + BI_i < (inc_{(EI+IW+TI)} + IPB_{h,r,i}) * [SB_{0,1} * W_{0,1}] \end{cases}$$

Legend

BNL	= basic needs for living
HCP	= health care premium
HC	= housing cost
BI	= benefits with incentives
inc	= incomes (earned income, income from wealth, transfer income)
IPB	= individual premium benefits
SB	= Supplemental benefits
W	= moveable wealth
$_h$	= varies with household size
$_r$	= varies with region of living
$_i$	= varies with income independent of social assistance

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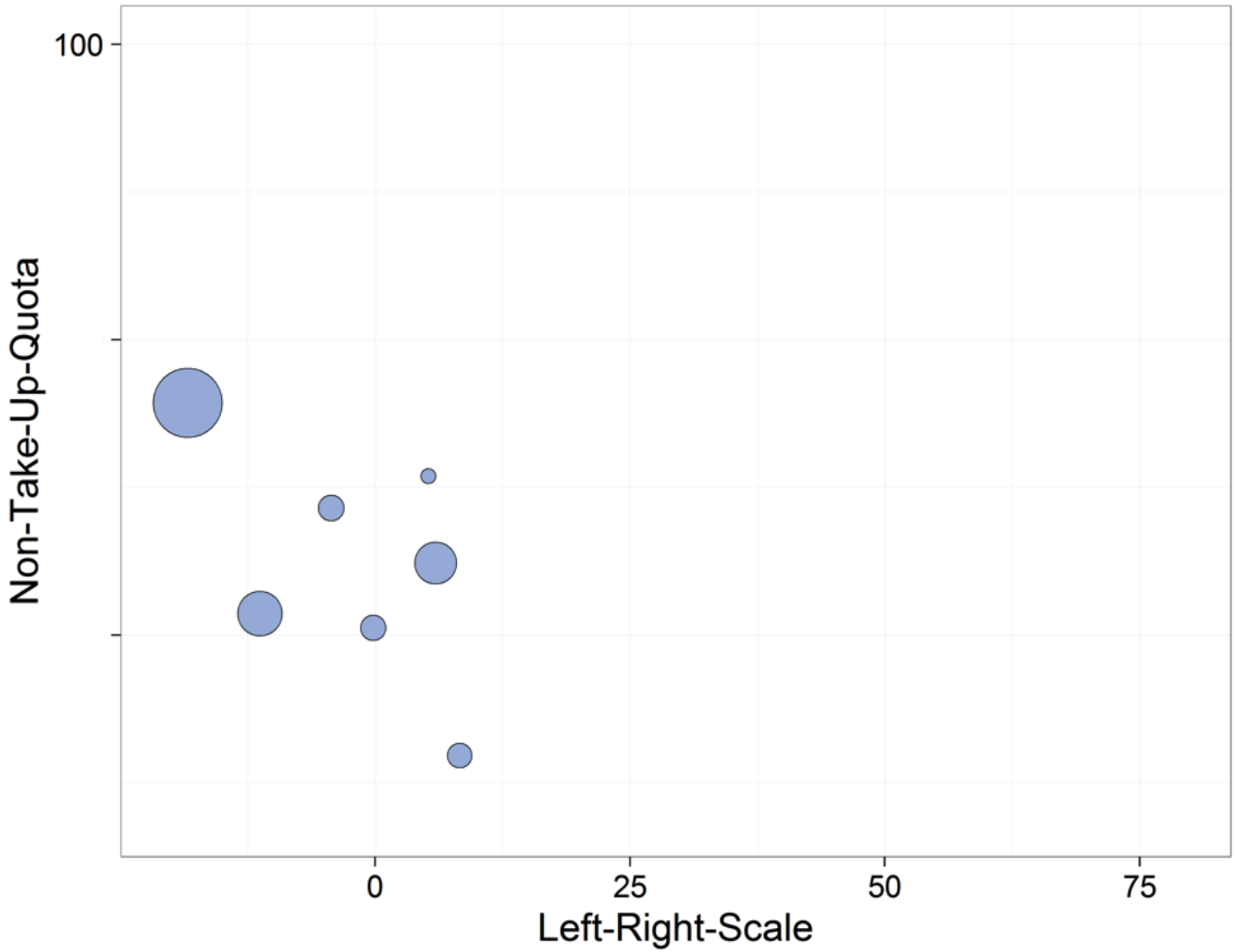
- I proxy social norms towards social assistance with parliamentary voting shares. Fivaz (2015) shows that party profiles in Switzerland with respect to social assistance are with a strong left-right gap. The social democratic party (SDP) is strongly in favor of maintaining generous social assistance benefits. The other end of the left-right pole is held by the Swiss People's Party (SPP), for whom the reduction of social assistance benefits is a prominent issue on the agenda.

Results: Is non-take-up influenced by social norms?



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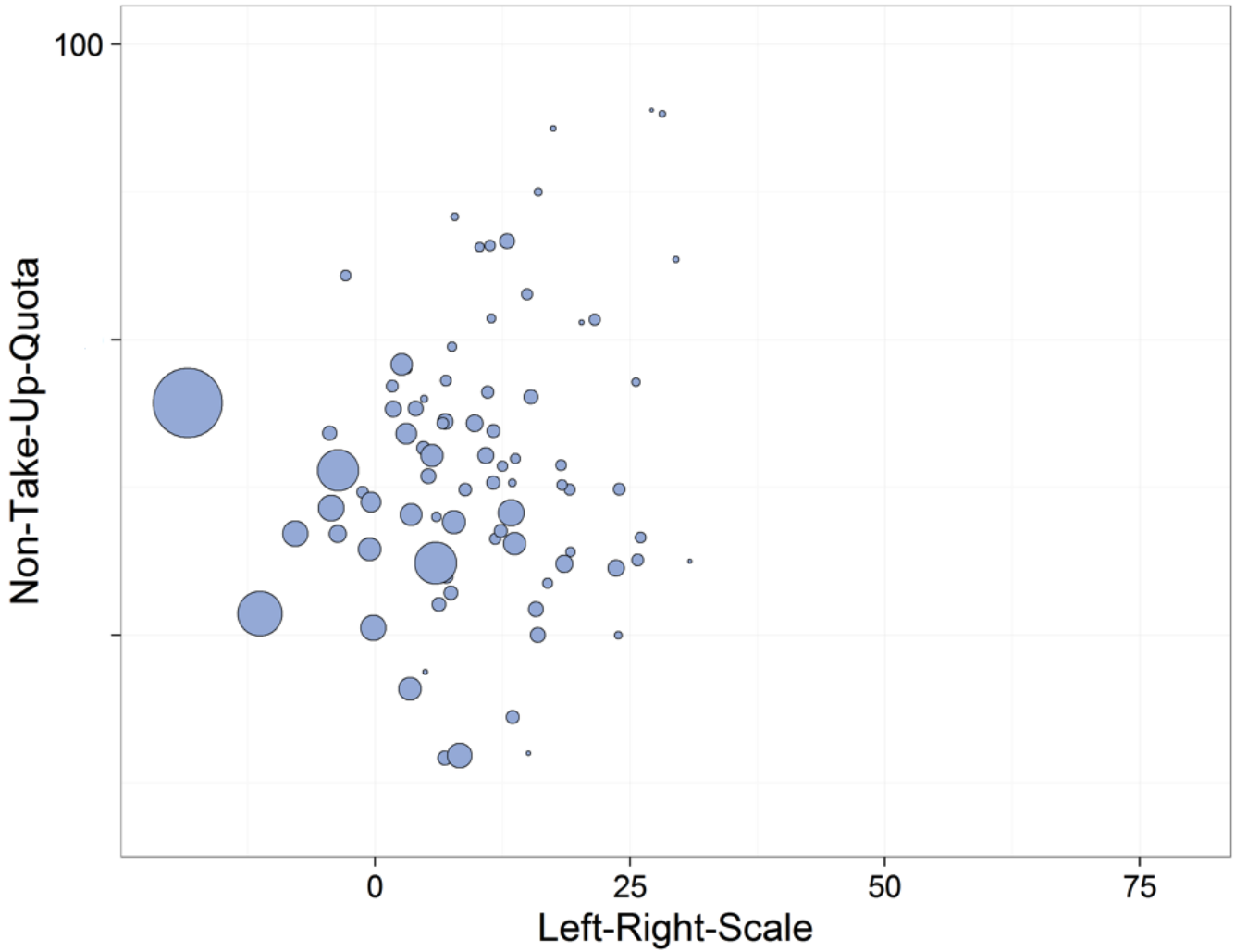

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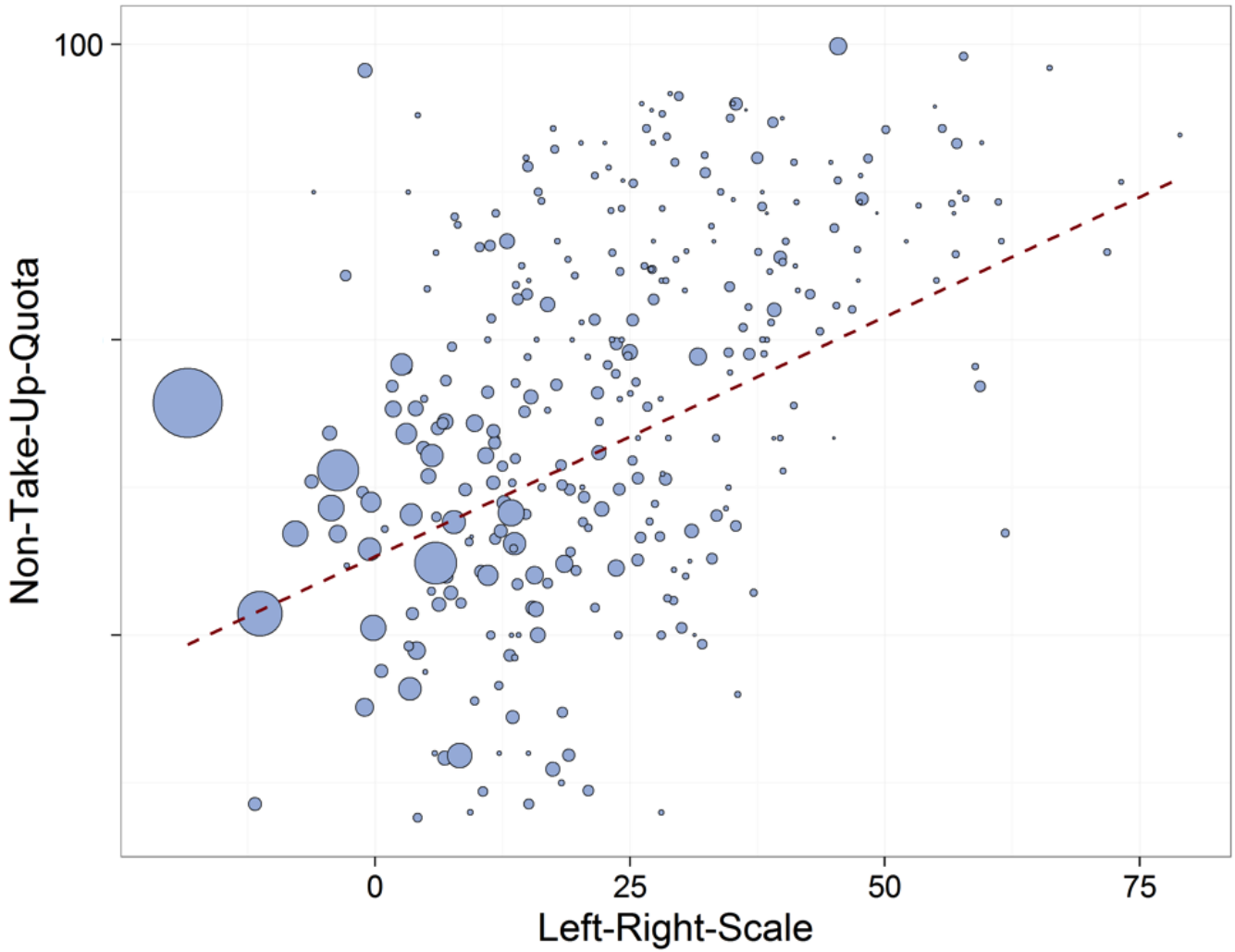

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	Model (1)	Model (2)	Model (3)	Model (4)	Model (5)
Urban/Rural					
agglomerations	3.87	2.64	0.97	-1.42	4.03
(Ref: cities)	(3.51)	(3.25)	(3.46)	(3.34)	(3.23)
rural communities	18.3***	1.30	-5.73	-7.60	-8.64
(Ref: cities)	(3.62)	(4.29)	(5.60)	(5.42)	(4.84)
Language region: French	-25.3***	-9.90	-3.04	1.81	-14.4**
(Ref: German)	(6.65)	(6.59)	(6.12)	(5.93)	(5.23)
Left-Right-scale					
middle-left		-19.0***	-12.6**	-11.3**	-8.14*
(Ref: moderate)		(4.23)	(4.17)	(4.01)	(3.40)
right-conservative		30.3***	16.3*	19.4**	12.25*
(Ref: moderate)		(6.56)	(6.40)	(6.16)	(5.40)
Economic structure					
% empl. in sec. 1			0.69***	0.49**	0.38**
(Ref: sec 2)			(0.15)	(0.15)	(0.10)
% empl. in sec. 3			0.76***	0.64***	0.36***
(Ref: sec 2)			(0.10)	(0.10)	(0.10)
log (population density)			-7.93***	-6.57***	-8.85***
			(1.87)	(1.81)	(1.56)
% Working Poor				0.39***	0.31**
				(0.11)	(0.10)
log (average gap to eligibility threshold)				-18.6***	-20.8***
				(5.45)	(4.7)
Intercept	21.3***	40.3***	31.8*	193.4***	248.67***
	(2.68)	(4.90)	(15.8)	(56.5)	(56.4)
n (municipalities)	312	312	312	312	312
R^2	0.103	0.242	0.393	0.446	0.407
Adjusted R^2	0.094	0.229	0.377	0.428	0.388
Method:	OLS	OLS	OLS	OLS	MM-95
municipalities with |weights| (<0.00032)					2
municipalities with weights <1					85

Remarks:
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standard error in parentheses.
All estimations apply analytical weights based on population of communities
OLS: Ordinary least square
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  1. Individuals cannot unify the take-up behavior with their personal norms
  2. Individuals indeed fear stigmatization by others
  3. An indirect effect can be presumed to derive from the administration procedure as social services are organized on the communal level.

Thank you for your attention!